



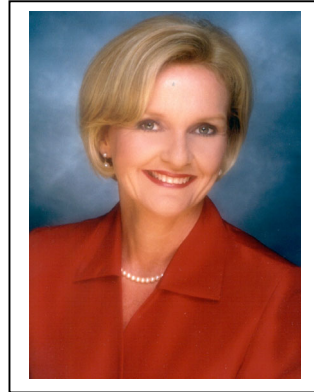
2002 ANNUAL REPORT
OFFICE OF THE MISSOURI STATE AUDITOR
www.auditor.state.mo.us

CLAIRE McCASKILL
STATE AUDITOR

ANNUAL REPORT

----- A MESSAGE FROM
THE STATE AUDITOR

The Citizens of Missouri
The Honorable Bob Holden
The Missouri General Assembly



Dear Citizens of Missouri,

It is my pleasure to present the Missouri State Auditor's Annual Report. The Missouri Constitution requires our office to produce this document in order to categorize all of the audit reports issued by our office for calendar year 2002.

In addition to auditing counties throughout the state, and meeting our responsibilities to both the federal and state government, we have performed scores of audits lawmakers and the public should find useful. All of our audits can be accessed on our website at www.auditor.state.mo.us.

This past year we have examined a number of areas that focused on children. In particular we examined the Missouri Department of Elementary and Secondary Education, Parents as Teachers Program.

Meanwhile, our look into childcare facilities found that state child care bureau officials do not know how many unlicensed providers operate in Missouri.

Finally, our audit of child support collections found that the state had collected no more than 20 percent of child support owed to more than a half-million custodial parents and their children from fiscal year 1996 to 2001, leaving over \$1 billion uncollected.

With budget cuts threatening education operations, our office went to work examining student loan issues and institutions. We also took an in depth look into teacher recruitment and retention.

Other audits highlighted and listed in the following report include the St. Louis Metropolitan Sewer District, the solvency of Missouri's Unemployment Trust Fund, the administration of the state's worker's compensation program, and our inability as a state to match the success of other states in curtailing prescription drug costs.

Again, let me say how proud I am of those who work in the State Auditor's Office for producing such important reports that help both lawmakers and the public meet the challenges facing state government today. These reports are the essence of government accountability.

Very truly yours,

A handwritten signature in black ink that reads "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" being more prominent than the last name "McCaskill".

Claire McCaskill

OVERVIEW OF THE MISSOURI STATE AUDITOR'S OFFICE

DUTIES OF THE STATE AUDITOR

In the Missouri Constitution, under Article IV, Section 13, the Missouri State Auditor is responsible for auditing all state agencies, boards and commissions; the state court system; counties that do not have a county auditor; and other political subdivisions, such as cities or school districts upon petition by the voters of those subdivisions.

All audits are conducted in an impartial, nonpartisan manner, in accordance with government auditing standards issued by the United States General Accounting Office. State auditors adhere to the rigorous standards of the auditing profession and exercise the highest levels of integrity and ethics. Audit findings and recommendations are based upon reliable evidence free from preconceived notions and the influence of personal opinions.

AUDITS PERFORMED IN THE OFFICE

There are primarily five types of audits that are performed in the State Auditor's Office. They include the following:

- 1) State Government Audits: consist of state agencies and departments, boards and commissions, statewide elected officials, the legislature, the state's financial statements, or federal awards expended by the state.
- 2) Performance Audits: independent examinations for the purpose of reporting on the extent to which agencies and departments of state government are faithfully carrying out the programs for which they are responsible and determining whether the programs are achieving their desired result.

- 3) Petition Audits: the State Auditor may be called on to audit any political subdivision of the state, such as cities, school districts, water districts etc., if enough qualified voters of that political subdivision request an audit. The political subdivision pays the actual cost of the audit.
 - 4) County Audits: the State Auditor is required to conduct audits once every four years in counties that do not have a county auditor. To assist counties in meeting their federal audit requirements, the office also performs a financial and compliance audit of various county operating funds every two years.
 - 5) Special County Audits: the State Auditor conducts a special audit after a vacancy occurs in a county official's office, before the Governor appoints a replacement county official.
- ❑ For a complete listing of year 2002 audits delivered, please see Appendix A / page 20.

BOND REGISTRATION

The State Auditor's Office is responsible for reviewing and registering general obligation bonds issued by political subdivisions in Missouri to ensure those bonds comply with both state law and the conditions of the contracts under which the bonds were issued.

- ❑ For a complete listing of bonds registered in 2002 with the State Auditor's Office, please see Appendix B/ page 25.
- ❑ Also, a complete listing of bonds registered for the years 2002, 2001, 2000 and 1999 are posted on the office's web site, www.auditor.state.mo.us.

REVIEW OF PROPERTY TAX RATES

State law requires the Missouri State Auditor to annually check all taxing jurisdictions throughout Missouri as to their compliance with the tax limitation provisions of Missouri's Hancock Amendment. Our tax report shows whether or not a taxing jurisdiction has met its constitutional and statutory obligation to set an overall tax rate at a level approved by voters and within the bounds of limits set by Missouri's Constitution and the State Legislature.

IMPORTANT: The State Auditor's Office has no authority to determine or review individual tax assessments. Chapter 138, RSMo governs the appeals process for assessed valuations as they pertain to individual taxpayers.

All individual tax assessment matters are the responsibility of each county assessor and board of equalization. Appeals to the state on tax assessment matters are handled by the Missouri State Tax Commission.

- ❑ For a complete listing of local governments levying taxes in excess of what is allowable by law, see Appendix C / page 32.

STATEMENTS

The State Auditor is often called to advise the governor, legislature, and citizens on matters pertaining to state government operations, such as the Hancock Amendment. In addition, the office advises on estimated costs associated with statewide ballot initiatives.



YEAR 2002 AUDIT HIGHLIGHTS

CHILDREN'S ISSUES



The State Auditor conducted various audits of children's issues in 2002. Audits included *Department of Elementary and Secondary Education, Parents As Teachers Program, Child Care Facilities and Inspections and Licensing, and Division of Child Support Enforcement Management And Oversight of Child Support Enforcement Actions.*

The Parents As Teachers program is a successful program of services for children below kindergarten age and their parents. By helping parents to increase their confidence and parenting skills they are better able to support their children's education and development pre-kindergarten and after entry into elementary school.



State auditors found the \$30.3 million state-funded parent education program is run fairly by the education department in 522 school districts. Eighty-nine percent of the participants surveyed by auditors said the program met its goal. About eighty-one percent said the program successfully reached new parents. Our audit found that minor improvements to the program could increase its current accomplishments.

(Report No. 2002-107)



The State Auditor found that state child care bureau officials do not know how many unlicensed providers operate in Missouri and do not have the staff to proactively identify or investigate unlicensed providers. Also, state law does not limit a facility's overall child capacity number.

Unlicensed providers can only be charged with an infraction, which carries a maximum \$200 fine for the first violation of state law. The fine has not deterred providers from operating illegally even though some were prosecuted and fined. Fines levied against unlicensed providers are much higher in other states. In addition, unlicensed providers are not subject to annual sanitation and fire inspections.

State law allows a licensed family child care home to care for 10 unrelated children and an unlimited number of related children. Auditors found 97 percent of state licensed family child care homes could already care for more children than this recommended limit. The eight states surrounding Missouri include related children in capacity limits.

(Report No. 2002-52)



The State of Missouri collected no more than 20 percent of the child support owed to 538,000 custodial parents and their children from fiscal years 1996 to 2001, leaving over \$1 billion uncollected. While the support collected by the state's Division of Child Support Enforcement is comparable to the national average of 17%, more aggressive enforcement actions could improve collections. Division data showed only 29 percent of computerized enforcement actions helped collect more child support. Auditors also found the division did not take all available enforcement actions to collect support, for example, suspending drivers', professional or recreational licenses from non-custodial parents.

When parents do not receive the child support owed to them, they often turn to the state for welfare benefits. While the state pays these parents assistance, the parents give the state the right to collect future support. The state hired a private contractor to help recover the money it spent on welfare. The state's portion of this uncollected amount could be as much as \$236 million going back to 1977 when the state started collecting child support. However, restrictive state guidelines only allow the contractor to handle a small percentage of these cases, while other states have private contractors collect both current and past-due support.

(Report No. 2002-112)

SEX OFFENDER REGISTRATION



The Missouri State Auditor's office examined compliance rates of the current sex offender registration laws, which require Missouri's 8,000 known offenders to register with local law enforcement. Missouri legislators first established the registration law in 1994. Under current law, all convicted sex offenders have to register within 10 days of coming into a county and verify their information.

Auditors found more than 500 sexual offenders who may not be included in the Family Care Safety Registry due to their receipt of a "suspended imposition of sentence". These offenders will not be identified in inquiries to the registry after the end of their probation period. This sentence allows an offender's criminal record to be closed at the end of probation, which makes the record unavailable for the registry. Additionally, the Missouri State Highway Patrol does not track the dates offenders verify their information, as required by state law. As a result, patrol staff cannot tell who has met their annual or 90-day verification requirement.

(Report No. 2002-41)

EDUCATION

During 2001 the State Auditor's Office conducted audits on a variety of educational issues including institutions, affiliations with not-for-profit organizations, expenditures, scholarships, teacher retention and the Department of Higher Education.



An audit of the Ozarks Technical Community College found that the college signed a contract in February 2001 with the city of Ozark transferring \$360,000 to an interest bearing checking account, but the college retained the authority to spend the funds. This agreement provided the college a means to draw a specific appropriation totaling \$180,000 from the State of Missouri that would have otherwise lapsed at year-end. The invoice requesting the appropriation was misleading, and one year later funds totaling \$298,000 still remained idle in the city's account. The Missouri Attorney General has since requested the college return the \$180,000 appropriation. Additionally, the college paid approximately \$53,600 for employee registration, lodging, meals, and mileage expenses for 178 employees to attend a convention in St. Louis. Other community colleges across the state sent an average of 20 employees.

(Report No. 2002-109)

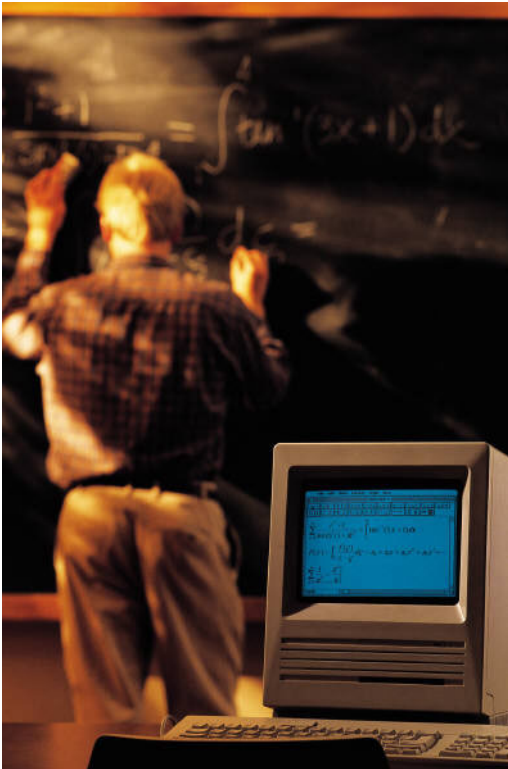


The Department of Higher Education (DHE) awarded approximately \$83.5 million in student financial assistance to college students through eight programs during the two years ended June 30, 2001, of which approximately \$82.2 million was state monies. The DHE awarded approximately \$5.8 million in student financial assistance through the Advantage Missouri program during this time period. The Advantage Missouri program utilizes state monies to provide loans to students in certain undergraduate programs. Timely tracking and follow-up action on some outstanding loans has not taken place, and at the time of our review, the computer

program component to be used for tracking amounts of loan repayment, loans forgiven, and loan balances of the Advantage Missouri program was not operational.

The DHE contracted with several different computer programming vendors between July 1999 and June 2002 to develop software to administer the Advantage Missouri Loan Program, as well as providing other programming services. While the DHE has contracted with three different vendors over this time, the actual computer programmer has been the same individual for all three vendors. Between July 1999 and April 2002, the DHE has paid the three vendors over \$240,000 for the services of this programmer. Additionally, expenditures for agency-provided food and food services totaled approximately \$53,500 for the two years reviewed.

(Report No. 2002-87)



The State of Missouri has problems in both recruiting and retaining teachers. Our audit found that there were 4,256 individuals who received an initial teacher certificate and became eligible to teach in the 1994-95 school year. Only 18 percent of those individuals receiving an initial certificate in fiscal year 1995 taught for all seven years from school year 1995 to 2001 and 28 percent never entered a Missouri public school district as a teacher. While the state has an abundance of certified teachers, a relatively small percentage choose to teach in a Missouri public school. Of the approximately 257,500 individuals in Missouri holding a valid teaching certificate, only 29 percent were employed in a Missouri public school during the 2000-01 school year. In Missouri, teacher shortages are concentrated in specific areas known as critical need areas. Missouri school administrators cite stringent certification requirements and low salaries as predominant reasons for teacher shortages in the state.

(Report No. 2002-58)



The State Auditor's Office conducted an audit of the Department of Elementary and Secondary Education (DESE), Teacher Scholarship, Loan and Tuition Reimbursement Programs. The DESE administers the Missouri Teacher Education Scholarship (MTES) and the Missouri Minority Teacher Education Scholarship (MMTES) programs. Under both scholarship programs, the recipient is

required to receive a degree in education from an approved teacher education program in a four-year college or university, and teach in an elementary or secondary public school in Missouri for five years after receiving their degree. We noted the DESE has spent approximately \$3.8 million since the MTES and the MMTES scholarship programs were established. However, our analysis indicated nearly 40 percent of the MTES and almost half of the MMTES scholarship applicants for fiscal year 1996 did not complete the requirements of the programs. Due to the inadequate monitoring, lack of segregated duties, and limited supervision regarding the scholarship programs, non-compliance with the scholarship requirements has gone undetected, and recipients who have defaulted are not being held fully accountable. Additionally, the department is forced to decline scholarships to approximately half of the qualified applicants due to a lack of available funding. There have been virtually no increases in funding for scholarship programs since their implementation, and two loan programs approved by the General Assembly have never been funded.

(Report No. 2002-46)

ST. LOUIS METROPOLITAN SEWER DISTRICT

Significant weaknesses were noted in the St. Louis Metropolitan Sewer District's billing and collection policies, procedures and records. At June 20, 2001, the district had over 38,000 accounts with a total amount delinquent of approximately \$34 million, including delinquencies dating as far back as 1981. The district wrote-off over \$2.7 million in delinquent charges deemed not to be collectable during fiscal year 2001. Additionally, some disbursements did not appear to be a prudent, reasonable, or a necessary use of district funds, including compensating employees \$76,250 for turning in district vehicles the employees were using primarily for personal commuting purposes.

The district did not adequately evaluate and/or monitor the cost of legal services, and did not prepare Request for Proposals for its legal services. Legal service arrangements were not approved by the Board of Trustees, nor were written agreements always prepared. In addition, the law firms did not always provide adequate supporting documentation and the payments to these firms were not always in accordance with district guidelines. The district's legal expenses increased from \$732,056 in fiscal year 1999 to \$1,903,002 in fiscal year 2000.

(Report No. 2002-88)

SOLVENCY OF THE MISSOURI UNEMPLOYMENT COMPENSATION TRUST FUND



Benefit payments from the state's Unemployment compensation Trust Fund are expected to exceed revenues by \$414.4 million in calendar years 2001 and 2002, leading to the fund's insolvency. When insolvency occurs, state officials will borrow money from the federal government to keep paying benefits, which will likely increase employer costs. Auditors found four

main factors causing the insolvency: low unemployment tax rates, no requirement that each employer contribute to the fund, low taxable wage base, and increased benefit payments with no rise in revenue. To evaluate the fund's solvency, both state and federal officials use a figure, known as an "average high cost multiple", which represents the number of years a state's trust fund can pay benefits without additional revenue. In early 2001, Missouri's multiple decreased to .28, indicating the state could only pay benefits for 3.36 months before needing more revenue, the national average multiple is 1.12. Missouri ranked 40th in the nation in the average unemployment tax rate levied on employers in 2000.

(Report No. 2002-01)

ADMINISTRATION OF WORKERS' COMPENSATION PROGRAM



million.

State officials have not required employer/insurers to report injuries within required time frames resulting in delayed payments to employees. During the 4-year period reviewed, auditors found employers/insurers failed to report 93 percent of employees' injuries within the prescribed 10-day period, which delayed employee benefit payouts, and increased case costs by nearly \$300

Some employees did not receive timely medical or lost wage benefits after incurring injuries, because their employers/insurers disputed their claims. State law does not provide protection for injured employees when employers/insurers deny or dispute claims. When employers/insurers dispute claims, employees may have to wait several months or years for a binding ruling by a division judge to receive benefits.

(Report No. 2002-95)

HEALTH

Health care concerns were the focus of several audits conducted by the State Auditor's Office in 2002. The rising costs of prescriptions and healthcare, as well as changes in Medicaid reimbursements and spenddown effect all Missourians. Our audits included *University of Missouri Health System - Billing Practices and Other Financial Matters*, *Cost Containment For State Prescription Drug Expenditures*, *Oversight controls in the State's Medicaid Prescription Drug Program*, and the *Department of Mental Health - Management of the Substance Abuse Traffic Offenders Program*.



The Missouri State Auditor's Office conducted an audit of the University of Missouri Health System - Billing Practices and Other Financial Matters and found from July 1999 through January 2002, the University Hospital and Clinics lost almost \$10 million in revenues due to insurance denials and other write-offs that could have been prevented. The University Physicians also lost over \$2 million for similar reasons. The

University Hospitals and Clinics accounts receivable records had over \$6.3 million in credit balances at December 31, 2001, involving over 15,000 patient accounts, and insufficient effort has been made to resolve many of the older credit balances. Between December 2000 and December 2001, total credit balances ranged between \$5 and \$6.7 million. In addition, other problems were noted regarding the documentation, follow-up, and write-off of outstanding accounts.

(Report No. 2002-97)



Missouri's Medicaid outpatient prescription drug costs have more than doubled in the last 5 years and totaled \$770 million in fiscal year 2001. Auditors found Missouri has not been as proactive as other states with certain containment programs, such as preferred drug lists or prior authorization.

Missouri has not changed its percentage decrease determining how pharmacies are reimbursed for acquiring and dispensing drugs for Medicaid recipients since 1991. Nineteen states use a higher percentage decrease than Missouri. Additionally, Missouri pays more than necessary on 437 drugs dispensed intravenously to at-home or non-hospitalized chronically ill patients. Division officials have not timely implemented new dispensing fees for these drugs, which would allow providers to be reimbursed using more accurate drug prices.

(Report No. 2002-48)



Missouri paid \$272 million to fill prescriptions for 420,000 Medicaid recipients in fiscal year 2001. More than 3,900 Medicaid recipients over two fiscal years (2000 and 2001) visited 5 or more prescribers and obtained \$8.7 million in tranquilizers, painkillers and opioids. Prescription drug industry experts have said recipients addicted to such drugs see several doctors (known as "doctor shopping") and use numerous pharmacies to support and disguise their habit. Program officials, since January 2000, have identified 400 recipients potentially abusing prescription drugs. But officials often took up to a year before restricting recipients to one prescriber and one pharmacist to curb diversion.

(Report No. 2002-29)



The SATOP (Substance Abuse Traffic Offenders Program) program is a statewide system of comprehensive, accessible, community-based education and treatment options for individuals arrested in Missouri on alcohol and/or drug-related offenses. Some repeat offenders do not advance to higher-level treatment programs as required. Of the total offender screenings performed, 36 percent were considered repeat offenders with two or more driving while intoxicated offenses. Our review identified 5 percent of these repeat offenders who were still assigned to a Level I program. According to the program manual, offenders with more than one conviction for driving while intoxicated are not eligible to attend an entry-level program. Total fees received by the offender management units for fiscal year 2000 and 2001 were \$1,687,868 and \$1,655,748, respectively. Our fiscal year review showed the units made late payments for approximately 48 percent of payments in 2000 and 43 percent in 2001.

(Report No. 2002-105)

STATE TAX CREDITS ADMINISTERED BY THE DEPARTMENT OF ECONOMIC DEVELOPMENT

The State Auditor's Office found the Department of Economic Development and state officials do not track the total dollar amount of tax credits issued but not yet



redeemed. This can lead to inaccurate state revenue projections. In addition, the data collected on many of the 35 tax credits administered by the department is not complete enough to analyze a tax credit program's economic impact. Economic development officials track the number of tax credits issued, while the departments of Insurance and Revenue track the total tax credits

redeemed. No one matches the issued credits to the redeemed credits to calculate what is outstanding and could still be redeemed. Economic development officials have overestimated the amount of credits redeemed by \$14 million in 2001 and \$50 million in 2000. Tracking tax credits outstanding could improve these estimates.

(Report No. 2002-33)

PROCUREMENT CARD PROGRAM



There are 2,600 State of Missouri employees who have state credit cards for state business purchases. During our audit period, 99 percent of the purchases were made by four departments; Conservation, Transportation, Natural Resources and Mental Health. Office of Administration officials allowed departments to decide the number and type of employees who could have cards, resulting in varying practices by department, with nearly half of the Conservation employees having cards while less than 1 percent of Mental Health employees have cards.

Audit analysis showed 1,500 of the employee cardholders only needed a \$1,000 monthly limit, instead of the \$3,000 limit available to each cardholder. In fact, about one-third of the employees seldom or never used their card and 50 percent spent less than \$400 a month. In addition, analysis showed the maximum \$1,000 individual purchase limit as unnecessarily high. The state is ultimately liable for all purchases made on these cards and such high limits expose the state to unnecessary risk.

(Report No. 2002-60)

DEPARTMENT OF PUBLIC SAFETY, DIVISION OF FIRE SAFETY



The Division of Fire Safety (DFS) has not established procedures to identify unregistered elevators and to report registration violations to the applicable county prosecuting attorney for enforcement of the penalty provision. The division estimates there are over 20,000 elevators in the state, but only 11,733 are registered with the division. Approximately 2,200 of the over 20,000 elevators have never been inspected. Additionally, the division estimates there are over 60,000 unregistered boilers and pressure vessels in the state. Our review of division inspections noted over 9,300 of such devices subject to division inspections and insurance company inspections are operating without a valid license.

Legislation passed in 2000 requires amusement ride owners to obtain an annual safety inspection and a state-operating permit for each ride prior to operating the ride in the state. The division has not established procedures to actively search for amusement rides operating without a state-operating permit and to report them to the applicable county prosecuting attorney for enforcement of the penalty provision. The division estimates there may be over 5,000 rides that operate in the state. The division issued only 956 and 702 permits during fiscal years 2002 and 2001, respectively.

(Report No. 2002-110)

DEPARTMENT OF CONSERVATION, OVERSIGHT OF LAND ACQUISITION, CAPITAL IMPROVEMENTS AND RELATED PROGRAMS



Missouri spends more per capita on conservation efforts than its eight neighboring states and has the nation's third largest conservation budget. In the 24 years the state has collected sales tax earmarked for conservation, department officials have spent more than \$2 billion acquiring land, starting programs and building infrastructure.

Auditors found inadequate oversight of the \$10 million the department granted to its partnerships with non-profit, local, state and federal entities since 1997 including: no requirement for a budget detailing state fund use, no department access to an organization's financial records and no requirement for an annual accomplishment report.

The Department of Conservation donated \$492,000 and 455 acres to an organization run by former department employees for a forest heritage center. But more than three years later, all that exists is the center's future site and a hiking trail. Most money meant for center development went for salaries or administrative costs. Due to a lack of documentation, it is unclear how the organization used some of this money.

(Report No. 2002-108)

MISSOURI STATE AUDITOR'S OFFICE WEBSITE

ENHANCED WEB SITE
www.auditor.state.mo.us

All audit reports issued in 1999, 2000, 2001, and 2002 are listed on the site and each audit report is categorized in order to locate it quickly and easily. These reports are posted for individuals to view and print. There are “Yellow Sheet” summations available for each audit.

In addition, posted on the office’s web site are bonds registered with the office. The date of registration, whom the bond was issued by, and the amount of the bond are listed on the site. There is also a link to the individual bond registration report that contains additional information, such as the purpose of the bond and election results. The web site lists all the bond registrations for 1999, 2000, 2001, and 2002.

Furthermore, anyone can request an audit report(s) by contacting the State Auditor’s Office through e-mail at moaudit@auditor.state.mo.us or writing to the office under the “Your Input” section on our website. Individuals may also contact the office by mail or by telephone.

CONTACTING THE STATE AUDITOR'S OFFICE

There are several ways to contact the office:

Hotline number:	1-800-347-8597
Webpage:	www.auditor.state.mo.us
E-mail address:	moaudit@auditor.state.mo.us

In Jefferson City:

Missouri State Capitol *or*
Room 224
Jefferson City, Missouri 65101
(573) 751-4213
Fax: (573) 751-7984

Truman State Office Building
301 W. High Street, Suite 880
P.O. Box 869
Jefferson City, Missouri 65101
(573) 751-4213
Fax: (573) 751-7984

In Kansas City:

Fletcher Daniels State Office Building
615 East 13th Street, Suite 511
Kansas City, Missouri 64106
(816) 889-3590
Fax: (816) 889-6200

In St. Louis:

The Locust Building
1015 Locust, Suite 510
St. Louis, Missouri 63101
(314) 340-7575
Fax Number: (314) 340-7605

In Springfield:

Landers State Office Building
149 Park Central Square
Springfield, Missouri 65806
(417) 895-6515
Fax: (417) 895-6521

APPENDIX A

Office of the Missouri State Auditor Audit Reports Delivered from January 1, 2002 through December 31, 2002

Review of 2002 Property Tax Rates	12-31-2002	2002-123
Miller County	12-31-2002	2002-122
Department of Public Safety Missouri Veterans Commission	12-31-2002	2002-121
Department of Mental Health Bellefontaine Habilitation Center	12-31-2002	2002-120
Department of Mental Health St. Louis Developmental Disabilities Treatment Centers	12-20-2002	2002-119
Gasconade County	12-20-2002	2002-118
Worth County	12-19-2002	2002-117
Village of Silex, Missouri	12-19-2002	2002-116
Osage County R-II School District	12-03-2002	2002-115
Department of Corrections	11-25-2002	2002-114
Missouri 3rd Class Counties	11-21-2002	2002-113
Division Of Child Support Enforcement Management And Oversight Of Child Support Enforcement Actions	11-19-2002	2002-112
Office Of State Courts Administrator	11-18-2002	2002-111
Department Of Public Safety Division Of Fire Safety	11-18-2002	2002-110
Ozarks Technical Community College	10-04-2002	2002-109
Department Of Conservation Oversight Of Land Acquisition, Capital Improvements, And Related Programs	10-03-2002	2002-108
Department Of Elementary And Secondary Education Parents As Teachers Program	10-01-2002	2002-107
Department Of Agriculture Oversight Of Manufacture And Distribution Of Commercial Feed Products	10-01-2002	2002-106
Department Of Mental Health Management Of The Substance Abuse Traffic Offenders Program	10-01-2002	2002-105
Washington County	09-30-2002	2002-104
Scott County	09-30-2002	2002-103

<u>Clinton County</u>	09-30-2002	2002-102
<u>Iron County</u>	09-27-2002	2002-101
<u>Andrew County</u>	09-27-2002	2002-100
<u>Atchison County</u>	09-26-2002	2002-99
<u>Christian County</u>	09-26-2002	2002-98
<u>University Of Missouri Health System Billing Practices And Other Financial Matters</u>	09-26-2002	2002-97
<u>Missouri Department Of Transportation Contract Change Orders</u>	09-26-2002	2002-96
<u>Administration Of Workers' Compensation Program</u>	09-26-2002	2002-95
<u>Adair County</u>	09-25-2002	2002-94
<u>Monroe County</u>	09-24-2002	2002-93
<u>Ozark County</u>	09-17-2002	2002-92
<u>Lincoln County</u>	09-16-2002	2002-91
<u>Taney County</u>	09-13-2002	2002-90
<u>County Employees' Retirement System</u>	09-12-2002	2002-89
<u>Metropolitan St. Louis Sewer District</u>	09-12-2002	2002-88
<u>Department of Higher Education</u>	09-12-2002	2002-87
<u>Dekalb County</u>	09-10-2002	2002-86
<u>Department of Revenue Comprehensive Continuity Planning</u>	09-04-2002	2002-85
<u>Rolla 31 School District</u>	09-04-2002	2002-84
<u>Wright County</u>	08-30-2002	2002-83
<u>Wayne County</u>	08-30-2002	2002-82
<u>Vernon County</u>	08-30-2002	2002-81
<u>Shelby County</u>	08-30-2002	2002-80
<u>Polk County</u>	08-30-2002	2002-79
<u>Pike County</u>	08-30-2002	2002-78
<u>Oregon County</u>	08-30-2002	2002-77
<u>Montgomery County</u>	08-30-2002	2002-76
<u>Mississippi County</u>	08-30-2002	2002-75
<u>McDonald County</u>	08-30-2002	2002-74
<u>Macon County</u>	08-30-2002	2002-73
<u>Livingston County</u>	08-30-2002	2002-72

<u>Linn County</u>	08-30-2002	2002-71
<u>Knox County</u>	08-30-2002	2002-70
<u>Gentry County</u>	08-30-2002	2002-69
<u>Chariton County</u>	08-30-2002	2002-68
<u>Cedar County</u>	08-30-2002	2002-67
<u>Carter County</u>	08-30-2002	2002-66
<u>Caldwell County</u>	08-30-2002	2002-65
<u>Bollinger County</u>	08-30-2002	2002-64
<u>Benton County</u>	08-30-2002	2002-63
<u>Bates County</u>	08-30-2002	2002-62
<u>Barton County</u>	08-30-2002	2002-61
<u>Oversight of the State's Procurement Card Program</u>	08-29-2002	2002-60
<u>Audrain County</u>	08-27-2002	2002-59
<u>Department of Elementary and Secondary Education Teacher Retention and Recruitment</u>	08-22-2002	2002-58
<u>Osage County</u>	08-13-2002	2002-57
<u>City of East Lynne, Missouri</u>	08-13-2002	2002-56
<u>Department of Public Safety - Office of the Director</u>	08-12-2002	2002-55
<u>Douglas County</u>	08-09-2002	2002-54
<u>Department of Public Safety Division of Liquor Control</u>	07-30-2002	2002-53
<u>Child Care Facilities Inspections and Licensing</u>	07-19-2002	2002-52
<u>City of St. George, Missouri</u>	07-16-2002	2002-51
<u>City of Hurdland, Missouri</u>	07-08-2002	2002-50
<u>City of Canalou, Missouri</u>	07-08-2002	2002-49
<u>Cost Containment For State Prescription Drug Expenditures</u>	06-28-2002	2002-48
<u>Hospital Inspection Program</u>	06-26-2002	2002-47
<u>Department of Elementary and Secondary Education Teacher Scholarship, Loan, and Tuition Reimbursement Programs</u>	06-14-2002	2002-46
<u>Department of Elementary and Secondary Education Missouri School for the Deaf</u>	06-13-2002	2002-45
<u>Department of Mental Health Western Missouri Mental Health Center</u>	06-13-2002	2002-44
<u>Department of Insurance Division of Consumer Affairs Complaint Processing</u>	06-13-2002	2002-43

<u>Department of Mental Health St. Louis Regional Center</u>	06-03-2002	2002-42
<u>Missouri Sexual Offender Registration Program</u>	05-29-2002	2002-41
<u>North Andrew County R-VI School District</u>	05-20-2002	2002-40
<u>State of Missouri Single Audit</u>	05-16-2002	2002-39
<u>City of Sarcoxie, Missouri</u>	05-16-2002	2002-38
<u>Office of Administration Missouri Ethics Commission</u>	05-13-2002	2002-37
<u>Office of State Treasurer</u>	05-13-2002	2002-36
<u>Village of Bull Creek, Missouri</u>	05-09-2002	2002-35
<u>Village of Jacksonville, Missouri</u>	05-07-2002	2002-34
<u>Review of State Tax Credits Administered by the Department of Economic Development</u>	04-29-2002	2002-33
<u>Comprehensive Annual Financial Report</u>	04-22-2002	2002-32
<u>Lonedell R-14 School District</u>	04-22-2002	2002-31
<u>Department of Economic Development Office of the Public Counsel</u>	04-19-2002	2002-30
<u>Oversight Controls in the State's Medicaid Prescription Drug Program</u>	04-18-2002	2002-29
<u>Review of Article X Sections 16 Through 24 Constitution of Missouri</u>	04-15-2002	2002-28
<u>Missouri Investment Trust</u>	04-04-2002	2002-27
<u>Department of Higher Education State Guaranty Student Loan Program</u>	03-26-2002	2002-26
<u>Department of Revenue Division of Motor Vehicle and Drivers Licensing</u>	03-19-2002	2002-25
<u>Fox C-6 School District</u>	03-18-2002	2002-24
<u>Dallas County</u>	03-14-2002	2002-23
<u>Cooper County</u>	03-13-2002	2002-22
<u>Dade County</u>	03-12-2002	2002-21
<u>Review of Independent Audits of Fire Protection Districts in Greene County</u>	03-11-2002	2002-20
<u>Village of North Lilbourn</u>	03-11-2002	2002-19
<u>Compilation of 2001 Criminal Activity Forfeiture Act Seizures</u>	02-28-2002	2002-18
<u>City of Oak Grove</u>	02-28-2002	2002-17
<u>Compliance with and Enforcement of Prevailing Wage Law Requirements</u>	02-27-2002	2002-16

H. Roe Bartle Hall	02-21-2002	2002-15
Review of Independent Audits of Fire Protection Districts in St. Louis County	02-13-2002	2002-14
Audit of Missouri Vocational Enterprises	02-13-2002	2002-13
Stone County	02-08-2002	2002-12
Office of Administration Division of Purchasing and Materials Management State Agency for Surplus Property	02-06-2002	2002-11
Consulting and Other Services Contracts	02-06-2002	2002-10
Perry County	01-30-2002	2002-09
Village of Hanley Hills, Missouri	01-29-2002	2002-08
Town of Carrollton, Missouri	01-24-2002	2002-07
Managing State Vehicles at the Department of Health	01-22-2002	2002-06
State Lottery Commission	01-15-2002	2002-05
Maries County	01-14-2002	2002-04
Sullivan County	01-11-2002	2002-03
36th Judicial Circuit Municipal Divisions	01-09-2002	2002-02
Solvency of the Missouri Unemployment Compensation Trust Fund	01-09-2002	2002-01

Copies of the year 2001 audits or other audit reports can be obtained by contacting the State Auditor's Office by phone at (573) 751-4213, by e-mail at moaudit@auditor.state.mo.us, or by mail at P.O. Box 869, Jefferson City, Missouri 65102.

APPENDIX B

Bonds Registered with the Missouri State Auditor's Office

The Missouri State Auditor's Office is responsible for reviewing and registering general obligation bonds issued by political subdivisions in Missouri, with certain exceptions, to ensure those bonds comply with both state law and the conditions of the contracts under which the bonds are issued. Information regarding each bond issue registered with this office since January 1, 2002 to December 31, 2002 are listed below.

Date of Registration	Bonds Issued By	Amount of Issue
12-27-2002	<u>Parkway C-2 School District</u>	\$20,319,742.00
12-26-2002	<u>St. Clair R-XIII School District</u>	\$1,570,000.00
12-26-2002	<u>Cottleville Community Fire Protection District</u>	\$5,000,000.00
12-24-2002	<u>School District of Columbia</u>	\$14,320,000.00
12-23-2002	<u>School District of North Kansas City</u>	\$19,325,385.00
12-23-2002	<u>Park Hill School District</u>	\$2,870,000.00
12-20-2002	<u>Hazelwood School District</u>	\$39,000,000.00
12-19-2002	<u>East Lynne No. 40 School District</u>	\$230,000.00
12-18-2002	<u>City of Liberty</u>	\$825,000.00
12-18-2002	<u>Lutie R-VI School District</u>	\$320,000.00
12-18-2002	<u>Hermitage R-IV School District</u>	\$820,000.00
12-17-2002	<u>Lincoln County R-IV School District of Winfield, Missouri</u>	\$2,400,000.00
12-16-2002	<u>Hillsboro R-III School District</u>	\$5,730,000.00
12-16-2002	<u>School District of University City</u>	\$4,079,803.40
12-13-2002	<u>Community Fire Protection District</u>	\$5,000,000.00
12-13-2002	<u>Normandy School District</u>	\$9,475,000.00
12-13-2002	<u>Reorganized School District No. II</u>	\$3,000,000.00
12-12-2002	<u>Consolidated School District No. 2 (Raytown)</u>	\$22,940,000.00
12-12-2002	<u>Mehlville R-9 School District</u>	\$5,699,770.00

12-11-2002	<u>Southern Reynolds County R-II School District</u>	\$1,130,000.00
12-11-2002	<u>City of Kearney</u>	\$270,000.00
12-05-2002	<u>Florissant Valley Fire Protection District</u>	\$5,000,000.00
12-04-2002	<u>Callaway County, Missouri</u>	\$162,000.00
12-03-2002	<u>City of Festus</u>	\$875,000.00
12-02-2002	<u>Mexico School District No. 59</u>	\$1,000,000.00
11-27-2002	<u>Union R-XI School District</u>	\$8,035,000.00
11-27-2002	<u>North Callaway County R-I School District</u>	\$2,230,000.00
11-26-2002	<u>Lathrop R-II School District</u>	\$835,000.00
11-26-2002	<u>School District of Springfield R-12</u>	\$11,475,000.00
11-25-2002	<u>Moberly School District No. 81</u>	\$4,802,400.00
11-25-2002	<u>Middletown, Missouri</u>	\$110,000
11-25-2002	<u>Fulton Public School District No. 58</u>	\$1,990,000.00
11-20-2002	<u>Pattonville R-III School District</u>	\$15,650,000.00
11-20-2002	<u>St. Charles County Ambulance District</u>	\$5,750,000.00
11-05-2002	<u>Chillicothe R-II School District</u>	\$9,400,000.00
11-01-2002	<u>School District of Webster Groves</u>	\$7,904,135.10
11-01-2002	<u>Carl Junction R-1 School District</u>	\$4,920,000.00
10-31-2002	<u>Cole County R-V School District</u>	\$2,280,000.00
10-31-2002	<u>Cole County, Missouri</u>	\$60,000.00
10-29-2002	<u>Francis Howell School District</u>	\$4,840,000.00
10-28-2002	<u>Bismarck R-V School District</u>	\$500,000.00
10-25-2002	<u>Shell Knob School District No. 78</u>	\$660,000.00
10-25-2002	<u>Bismarck R-V School District</u>	\$500,000.00
10-23-2002	<u>City of Lake St. Louis</u>	\$3,880,000.00
10-17-2002	<u>Andrew County, Missouri</u>	\$108,450.00
10-16-2002	<u>West Overland EMS and Fire Protection District</u>	\$2,000,000.00
10-15-2002	<u>Schuyler County R-I School District</u>	\$1,560,000.00
10-10-2002	<u>State of Missouri, Fourth State Building General Obligation Refunding Bond, Series A 2002</u>	\$154,840,000.00

10-10-2002	<u>State of Missouri, Third State Building General Obligation Refunding Bond, Series A 2002</u>	\$211,630,000.00
10-10-2002	<u>State of Missouri, Water Pollution Control General Obligation Refunding Bond, Series B 2002</u>	\$147,710,000.00
10-01-2002	<u>Northwestern R-I School District</u>	\$1,360,000.00
09-30-2002	<u>Adair County R-I School District</u>	\$570,000.00
09-30-2002	<u>Jefferson County R-VII School District</u>	\$600,000.00
09-27-2002	<u>Maryville R-II School District</u>	\$7,150,000.00
09-26-2002	<u>Hickory County R-I School District (Skyline)</u>	\$1,440,000.00
09-26-2002	<u>Kennett No. 39 School District</u>	\$1,500,000.00
09-25-2002	<u>City of St. Clair</u>	\$1,405,000.00
09-23-2002	<u>Morgan County R-I School District</u>	\$805,000.00
09-23-2002	<u>Morgan County R-I School District</u>	\$1,210,000.00
09-17-2002	<u>Avenue City R-IX School District</u>	\$700,000.00
09-10-2002	<u>Pleasant Hill R-III School District</u>	\$3,950,000.00
09-09-2002	<u>New Franklin R-I School District</u>	\$800,000.00
09-09-2002	<u>DeSoto School District #73</u>	\$1,820,000.00
09-06-2002	<u>Consolidated School District No. 4</u>	\$3,000,000.00
09-06-2002	<u>City of Lake Winnebago</u>	\$365,000.00
08-29-2002	<u>Black Jack Fire Protection District</u>	\$5,000,000.00
08-29-2002	<u>Mid-County Fire Protection District</u>	\$4,000,000.00
08-28-2002	<u>Reorganized School District No. R-VIII</u>	\$1,365,000.00
08-27-2002	<u>State of Missouri, Stormwater Control, General Obligation Bond, Series A 2002</u>	\$15,000,000.00
08-27-2002	<u>State of Missouri, Water Pollution Control, General Obligation Bond, Series A 2002</u>	\$30,000,000.00
08-27-2002	<u>Warren County R-III School District</u>	\$4,900,000.00
08-27-2002	<u>Macks Creek R-V School District</u>	\$1,075,000.00
08-26-2002	<u>Festus R-VI School District</u>	\$11,250,000.00
08-26-2002	<u>Windsor C-1 School District</u>	\$3,500,000.00

08-23-2002	<u>Windsor C-1 School District</u>	\$4,400,000.00
08-23-2002	<u>Cole County R-II School District</u>	\$2,650,000.00
08-23-2002	<u>School District of Springfield R-12</u>	\$12,490,000.00
08-22-2002	<u>Cole County R-II School District</u>	\$950,000.00
08-14-2002	<u>West County EMS and Fire Protection District</u>	\$5,000,000.00
08-13-2002	<u>Fort Zumwalt School District</u>	\$1,050,000.00
08-13-2002	<u>Cameron R-I School District</u>	\$1,525,000.00
08-07-2002	<u>Central County Fire Protection and Rescue District</u>	\$5,000,000.00
07-30-2002	<u>Wheatland R-II School District</u>	\$1,320,000.00
07-24-2002	<u>Oak Grove R-VI School District</u>	\$2,725,000.00
07-17-2002	<u>City of Lawson</u>	\$700,000.00
07-10-2002	<u>Hannibal 60 School District</u>	\$525,000.00
07-08-2002	<u>Central Jackson County Fire Protection District</u>	\$3,500,000.00
07-01-2002	<u>Cassville R-IV School District</u>	\$2,120,000.00
06-28-2002	<u>Francis Howell School District</u>	\$15,000,000.00
06-26-2002	<u>Excelsior Springs 40 School District</u>	\$3,998,049.90
06-26-2002	<u>Lone Jack C-6 School District</u>	\$1,700,000.00
06-26-2002	<u>Kennett No. 39 School District</u>	\$2,280,000.00
06-24-2002	<u>Reorganized School District No. 7</u>	\$63,045,000.00
06-24-2002	<u>Concordia R-II School District</u>	\$750,000.00
06-20-2002	<u>City of Oak Grove</u>	\$1,395,000.00
06-20-2002	<u>Bernie Reorganized School District No. 13</u>	\$1,100,000.00
06-19-2002	<u>Orearville R-IV School District</u>	\$425,000.00
06-17-2002	<u>Reorganized School District No. R-VIII</u>	\$14,900,000.00
06-14-2002	<u>Wentzville R-IV School District</u>	\$8,000,000.00
06-13-2002	<u>Hughes Township</u>	\$100,000.00
06-11-2002	<u>Ozark Reorganized School District No. 6</u>	\$5,600,000.00
06-05-2002	<u>Moniteau C-1 School District of Jamestown, Missouri</u>	\$285,000.00

06-05-2002	<u>City of Grain Valley</u>	\$3,500,000.00
06-04-2002	<u>Harrisonville R-IX School District</u>	\$9,800,000.00
06-03-2002	<u>Nixa Reorganized School District No. R-2</u>	\$7,000,000.00
06-03-2002	<u>Adair County R-II School District</u>	\$900,000.00
05-31-2002	<u>Ritenour School District</u>	\$13,000,000.00
05-30-2002	<u>Grain Valley R-V School District</u>	\$2,475,000.00
05-29-2002	<u>Fair Play R-II School District</u>	\$820,000.00
05-29-2002	<u>Pleasant Hill, Missouri</u>	\$600,000.00
05-28-2002	<u>Northeast Randolph County R-IV School District</u>	\$1,900,000.00
05-28-2002	<u>Moniteau County R-VI School District</u>	\$4,000,000.00
05-28-2002	<u>Skidmore, Missouri</u>	\$100,000.00
05-23-2002	<u>Portage Des Sioux, Missouri</u>	\$100,000.00
05-22-2002	<u>Southern Boone County R-I School District</u>	\$2,000,000.00
05-21-2002	<u>City of Blue Springs</u>	\$4,470,000.00
05-21-2002	<u>City of Blue Springs</u>	\$4,940,000.00
05-21-2002	<u>Wright City R-II School District</u>	\$10,000,000.00
05-21-2002	<u>Ralls County R-II School District</u>	\$3,350,000.00
05-20-2002	<u>Kingston K-14 School District</u>	\$1,150,000.00
05-14-2002	<u>Junior College District of Mineral Area, Missouri</u>	\$6,000,000.00
05-13-2002	<u>North St. Francois County R-I School District</u>	\$10,000,000.00
05-13-2002	<u>Verona R-VII School District</u>	\$740,000.00
05-09-2002	<u>Salem R-80 School District</u>	\$2,095,000.00
05-07-2002	<u>St. Clair R-XIII School District</u>	\$10,000,000.00
04-30-2002	<u>Reorganized School District No. R-II</u>	\$30,000,000.00
04-30-2002	<u>Barry County, Missouri</u>	\$178,000.00
04-29-2002	<u>Lincoln County R-III School District of Troy, Missouri</u>	\$14,250,000.00
04-25-2002	<u>Anderson, Missouri</u>	\$78,750.00
04-23-2002	<u>Peculiar, Missouri</u>	\$103,000.00
04-19-2002	<u>St. Charles Community College</u>	\$8,730,000.00

04-17-2002	<u>Moline Fire Protection District</u>	\$500,000.00
04-12-2002	<u>City of Savannah</u>	\$55,000.00
04-09-2002	<u>La Plata R-II School District</u>	\$600,000.00
04-05-2002	<u>Consolidated North County Levee District</u>	\$2,225,000.00
03-27-2002	<u>City of O'Fallon</u>	\$4,620,000.00
03-22-2002	<u>School District of Columbia</u>	\$10,000,000.00
03-13-2002	<u>City of Lee's Summit</u>	\$5,800,000.00
03-12-2002	<u>Liberty Public School District No. 53</u>	\$15,000,000.00
03-12-2002	<u>Humansville R-IV School District</u>	\$550,000.00
03-11-2002	<u>City of Iron Mountain Lake</u>	\$357,000.00
03-08-2002	<u>City of Lebanon</u>	\$4,220,000.00
03-06-2002	<u>Lawson Reorganized School District No. R-XIV</u>	\$1,570,000.00
03-05-2002	<u>Reorganized School District No. R-IV</u>	\$3,400,000.00
03-04-2002	<u>City of Rock Hill</u>	\$3,000,000.00
02-28-2002	<u>Consolidated School District No. 6</u>	\$15,000,000.00
02-26-2002	<u>School District of Joplin R-VIII</u>	\$4,575,000.00
02-25-2002	<u>Consolidated School District No. 2 (Raytown)</u>	\$10,000,000.00
02-22-2002	<u>City of Fair Grove</u>	\$330,000.00
02-22-2002	<u>Reorganized School District R-II</u>	\$3,750,000.00
02-21-2002	<u>City of St Peters</u>	\$2,500,000.00
02-21-2002	<u>Scott County R-IV School District</u>	\$995,000.00
02-20-2002	<u>Francis Howell School District</u>	\$15,825,000.00
02-15-2002	<u>Consolidated School District No. 4</u>	\$3,000,000.00
02-13-2002	<u>Reorganized School District No. R-V</u>	\$3,229,997.00
02-11-2002	<u>Consolidated School District No. 4</u>	\$1,000,000.00
02-11-2002	<u>Belton School District No. 124</u>	\$8,655,000.00
02-07-2002	<u>Liberty Public School District No. 53</u>	\$10,435,000.00
02-06-2002	<u>St. Charles County</u>	\$2,941,000.00
02-06-2002	<u>Fort Zumwalt School District</u>	\$8,950,000.00

02-04-2002	<u>Center 58 School District</u>	\$9,960,000.00
01-30-2002	<u>Oregon Howell R-III School District</u>	\$200,000.00
01-29-2002	<u>Bakersfield R-IV School District</u>	\$200,000.00
01-29-2002	<u>Laquey R-V School District</u>	\$500,000.00
01-25-2002	<u>Madison C-3 School District</u>	\$490,000.00
01-23-2002	<u>City of Lake Saint Louis</u>	\$3,330,000.00
01-22-2002	<u>City of Webster Groves</u>	\$7,770,000.00
01-22-2002	<u>York Township of Putnam County</u>	\$80,000.00
01-14-2002	<u>Rockwood R-6 School District</u>	\$21,800,000.00
01-08-2002	<u>Ozark Reorganized School District No. 6</u>	\$3,300,000.00
01-07-2002	<u>School District of Washington</u>	\$8,800,000.00
01-03-2002	<u>Fort Osage School District R-1</u>	\$5,500,000.00
01-03-2002	<u>Reorganized School District No. 4</u>	\$9,350,000.00

APPENDIX C

Office of the Missouri State Auditor

List of Political Subdivisions that are not in compliance with the Hancock Amendment

County	Political Subdivision Name	Levy Purpose	Excess Revenues
Christian	<u>City of Sparta</u>	General Revenue	135
Crawford	<u>Steelville Ambulance</u>	General Revenue	7,733
Dent	<u>Green Forest R-II School</u>	Operating Funds	282
Holt	<u>City of Oregon</u>	General Revenue	3,701
Howard	<u>Moniteau Creek Watershed</u>	General Revenue	22,376
Jasper	<u>Carthage Special Road Dist.</u>	Road & Bridge	47,937
St. Louis	<u>City of Beverly Hills</u>	General Revenue	8,878
	<u>Moline Fire District</u>	General Revenue	112
	<u>Wheaton Cook Lyndhurst</u>	General Revenue	8,360
	<u>Light District</u>		